

28 April 2023

Senator Tony Sheldon
Chair, Senate Legislation Committee on Education and Employment
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Dear Senator Sheldon

Questions on Notice from Senator Henderson

Senate inquiry into the Education Legislation Amendment (Startup Year and Other Measures) Bill 2023 (Bill)

Questions to the Group of Eight

1. *In your evidence, you said that ‘there is a little bit of a mismatch between the educational model and what accelerators typically offer.’ What is this mismatch?*

In terms of directly supporting the development and launch of startups, typically accelerator programs admit only the best ideas or “pitches” from students and alumni through a competitive process. Once in the program participants receive advice, training and mentoring free of charge over a short period of time tailored to suit their particular background and the requirements of progressing their startup concept towards launch. The focus is to advance the best ideas with a realistic possibility of success – noting the high level of failure inherent in startups. This need not – and usually doesn’t – lead to an accredited qualification.

The key to such successful programs is the simplicity and flexibility of the arrangements and engaging cohorts of participants that are mixed in terms of background and experience. This reflects the real-world experience of operating in the startup ecosystem.

Educational models provide fixed course offerings for a set duration (in the case of Startup Year at least 6 months), there is a qualification or credit allocated at successful completion and the course is usually less tailored to individuals than an accelerator program. The educational outcome is general startup skills development rather than developing a specific startup idea, although startup ideas could potentially be included in a course offering.

2. *In your submission to the Government’s consultation process, you note that “formalising short and elite startup accelerator programs through a cumbersome accreditation process is the opposite of the bespoke and tailored student experience that such programs offer in taking startups to launch...” (p. 3) Is it your view that the Startup Year program as currently designed is not fit for purpose?*

In the initial consultation paper, it was not made clear if the objective of the program was to directly support the development of new startups or to be an educational program to build up the skills and human capital of the startup ecosystem. The quote from the Go8 submission is in reference to this lack of clarity. The Bill under review has made it clear that Startup Year is an educational and skills development program - and so the challenge will

be to ensure that the program is fit for that purpose. Much of the success in this regard will depend on the subsequent guidelines for the program and the operation of the pilot year. To be successful this will require significant and ongoing consultation with the university sector, noting as in the answer to question 1, that the accredited course model is not the usual way that accelerators operate.

3. *Please describe the accelerator courses which will be offered to Startup Year students from 1 July 2023? Will these courses offer credentials or qualifications? Please provide full details of each course including the course duration, course outline, third party partnerships, total costs, and the costs borne by each student and the university.*

That information is not yet available and will only be determined in response to the guidelines for the program when they are released. At that point each Go8 member will make its own institutional decision about offerings under the Startup Year program.

4. *Please outline the number of accelerator courses offered by the Group of Eight universities – for each course, please include the course duration, course outline, third party partnerships, total costs, the costs borne by each student and the university and whether any credentials are offered?*

This extremely detailed information is not held at the Go8 Directorate and will take more time to gather than is available before the reporting deadline for these Questions on Notice. However, we will follow up on this information request as soon as is feasible.

5. *How will the \$2.2 billion University Research Commercialisation Action Plan (URCAP) support Group of Eight university accelerators and the students who wish to complete an accelerator course?*

Several measures contained in the University Research Commercialisation Action Plan (URCAP) and continued after the change of government will align with university accelerator activity and also potentially provide additional pathways for participants into the Startup Year program. These include the Trailblazer initiative (already commenced with the Go8 leading a number of projects), and the National Industry PhD and Fellowship programs. The direct industry engagement of these programs will mean that participants will have the opportunity to work with industry partners on research projects close to commercialisation, building up skills and ideas that may lead to start up concepts and additional accelerator training.

6. *In your view, is the Startup Year program ready to be rolled out across the nation? What still needs to be addressed in the design and implementation of the program?*

It is important to note that Startup Year begins with a pilot and that this cannot be rolled out until program guidelines are put in place. The Department of Education will need to consult closely with universities to ensure that pilot will be ready to be rolled out.

7. *Is the funding model proposed under the Startup Year program clear? Do you see any problems with the way in which the STARTUP-HELP loan is to be administered?*

Much of the detail of the funding model will be in the program guidelines which critically and as noted in the response to question 6 must be subject to further consultation. In terms of STARTUP-HELP it will be part of the suite of HELP programs which are well established to support students paying fees for accredited courses.

8. *In your evidence, you suggested that ‘accelerator activity is not aligned with delivery of an accredited model’. What are the implications of this lack of alignment?*

Based on advice to the Go8 Directorate it is unlikely that all university accelerators will be able to simply rebadge existing programs into an accredited course for the Startup Year program. Consequently, they will have to design specific programs for Startup Year and include an accreditation process. This will require some time and need to be in response to the requirements of the Startup Year program guidelines.

9. *In your evidence, you suggested that ‘there’s lots more work to be done’ on the Bill and the Startup Year program. Can you provide detail on what further work needs to be done?*

This was intended to be a reference to the program rather than the Bill. With the Bill having established Startup Year as an educational program more work needs to be done on the implementation of the program. This is particularly in the design of the guidelines of the program to ensure that issues such as the time required by accelerators to design, accredit and implement courses is minimised.

10. *In your evidence, you suggested that there are questions regarding whether the \$11,800 loan amount will be sufficient to support students from underrepresented groups. Can you provide more detail about these concerns?*

This is a comment in the context that the funding amount available per student in the Startup Year program of \$11,800 is benchmarked at the maximum student contribution amount for Band 3 in 2023 for a year of study (1 Effective Full-Time Student Load - EFTSL). Without a concomitant Government contribution this level of funding represents less than three-quarters of the lowest amount of funding available for any course under Job Ready Graduates for universities to deliver 1 EFTSL in 2023.¹

The appropriateness of this level of funding to support Startup Year courses – particularly with a focus on fostering success for participants from under-represented backgrounds – will need to be closely monitored.

Your sincerely

DR MATTHEW BROWN
DEPUTY CHIEF EXECUTIVE

¹ According to the 2023 Funding Clusters published by the Department of Education the lowest total of the (un-grandfathered) Maximum Student Contribution Amount and Commonwealth Contribution is \$16,289 for Fields of Education largely across the Humanities, Arts and Social Sciences. The \$11,800 Startup Initiative funding amount represents 72 per cent of this figure.